

USDA Foreign Agricultural Service

# GAIN Report

Global Agricultural Information Network

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### Weekly Highlights and Hot Bites No. 2

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**Approved By:**

Thom Wright

**Prepared By:**

Amit Aradhey, Radha Mani

**Report Highlights:**

\*Snowfall in Himachal brings smile on the faces of apple growers\*, \*Oilmeal exports rise 85 percent in December on higher demand\*, \*Food inflation eases to 16.91 percent, vegetables dearer still\*, \*Grain stocks swell\*.

**General Information:**

Welcome to Hot Bites from India, a weekly summary of issues of interest to the U. S. agricultural community. The report includes information that has been garnered during travel within India, reported in the local media, or offered by host country officials and agricultural analysts. Press articles are included and summarized in this report. Significant issues will be expanded upon in subsequent reports from this office. Minor grammatical changes have been made for clarification.

**DISCLAIMER:** Any press summary contained herein does NOT reflect USDA's, the U.S. Embassy's, or any other U.S. government agency's point of view or official policy.

**SNOWFALL IN HIMACHAL BRINGS SMILE ON THE FACES OF APPLE GROWERS**

Snow in Shimla, Kullu Manali, Mandi and other apple growing areas of Himachal Pradesh has brought smile on the faces of growers. The economy of the Himalayan state is highly dependent on horticulture with the fruit industry of the hill states worth about Rs.2,000 crore per year. Apple is the main fruit crop of Himachal Pradesh and is being grown in nine out of 12 districts and accounts for about 40 percent of the total area under all fruit crop cultivation. Dr. K.R. Dhiman, Vice-Chancellor of Dr. Y.S. Parmar University of Horticulture and Forestry, Nauni-Sloan stated that "The recent snow has brought down the temperature considerably and has increased moisture content in the soil that would help plants get nutrients in the pre-flowering season. If there are repeated snowfalls until March, the State would surely get a bumper apple crop". (Source: [Financial Express](#), 01/12/2011)

**OILMEAL EXPORTS RISE 85 PERCENT IN DECEMBER ON HIGHER DEMAND**

A demand for oilmeals coupled with higher prices helped exports recover in the third quarter of this fiscal (2010/11, April-March). The rebound in oilmeal exports in the third quarter was more pronounced in December when the shipments surged to over 85 percent to 611,000 tons (328,000 tons). During the third quarter, exports were up 68 percent at 1.8 million tons against 1.1million tons during the same period a year ago. According to the Executive Director of the Solvent Extractors Association of India, "oilmeal exports are up because the kharif oilseeds crop is good, crushers are getting parity and there has been a rise in demand." (Source: [Hindu Business Line](#), 01/08/2011)

**FOOD INFLATION EASES TO 16.91 PERCENT, VEGETABLES DEARER STILL**

Food inflation, based on the annual Wholesale Price Index, eased marginally after having surged for five straight weeks. The food price index increased 16.91 percent for the week ended January 1, lower than the previous week's annual rise of 18.32 percent. According to data released by the Government on Thursday, the fuel price index climbed 11.53 percent, marginally lower than the 11.63 percent reported in the previous week. Food makes up about 14 percent of the Wholesale Price Index, while fuel contributes around 15 per cent. The main drivers of inflation among food items continue to be vegetables, led by onions, apart from milk and poultry products. (Source: [Hindu Business Line](#), 01/14/2011)

**GRAIN STOCKS SWELL**

India's wheat stocks on January 01, 2011 were at 21.5 million tons against a target of 8.2 million tons, government sources said on Monday. Rice inventory was at 25.6 million tons, sharply up from a target of 11.8 million tons. The government buys wheat and rice from local farmers to build reserves for welfare programs, emergency needs and help farmers avoid distress sale. Grain production in 2010-11 is expected to be good on the back of normal monsoon in most parts of the country. (Source: [Financial Express](#), 01/11/2011)

#### **RECENT REPORTS SUBMITTED BY FAS/NEW DELHI**

<b>REPORT #</b>	<b>SUBJECT</b>	<b>DATE SUBMITTED</b>
IN1103	Weekly Hot Bites, #1	01/07/2011
IN1104	Regulations on Maximum Residue Levels of Pesticide and Agro-Chemical	01/14/2011

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